crisis. Besides, the services sector with a large share in GDP has also been less affected. Even in the export sector which registered negative growth in October, 2008, the fall was mainly due to a spike in export growth in October, 2007 and is limited to some sectors only. While no exhaustive surveys have been conducted to estimate the likely job losses in India due to global economic crisis, a sample study of 121 export related companies (for the period August-October, 2008) by Department of Commerce has indicated fall in jobs due to slowdown in some export sectors. A recent FICCI survey indicates some downsizing in employment in coming months particularly in some export sectors. Meanwhile, GDP growth is expected to moderate somewhat from very high growth rate in the last 3 years but remain sufficiently high this year generating new employment opportunities.

(c) and (d) Government is committed to ensure the welfare of workers and employees including those in the private sector under the existing legal framework. Government is concerned about the possible impact of global financial crisis on the Indian economy including employment and several measures, financial and fiscal, have been initiated. RBI's measures to enhance liquidity in the market and the Government's fiscal stimulus to help industry growth and employment like reduction in three major ad valorem rates of Central Excise duty applicable to non-petroleum products by 4 percentage points, withdrawal of export duty on iron ore (fines) and additional plan expenditure of upto Rs. 20,000 crore in the current year would help address the problem. Further, 3.24 crore households have been provided employment under National Rural Employment Guarantee Act as on 15.12.2008 in the current financial year.

Credit crunch in financial market

2380. SHRI KALRAJ MISHRA: Will the PRIME MINISTER be pleased to state:

(a) whether the Group of Seven (G-7), the International Monetary Fund (IMF) and the World Bank (WB) have drawn out a strategy to fight credit crunch in the world financial market and to restore credibility to the market;

(b) if so, the details thereof; and

(c) in what manner it would impact the value of the Indian rupee in the world market and the country's liquidity and viability in the world market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Group of Seven (G7) met in Washington D.C. on 10th October 2008 and agreed on an action plan to resolve the current financial crisis, strengthening their financial institutions and restoring confidence in the financial system. This action plan, *Inter alia* included taking necessary steps to unfreeze credit and money markets, ensuring that banks and other financial institutions have broad access to liquidity and funding, ensuring to raise sufficient capital from public as well private resources to re-establish confidence and take action, where appropriate and to restart the secondary markets for mortgages and other securitized assets.

The International Monetary and Financial Committee (IMFC) of the Board of the Governors of the International Monetary Fund (IMF) in its meeting held on 11th October 2008 in Washington D.C. endorsed these commitments. In addition, the World Bank on 11th November 2008, in this context, has announced financial support for developing countries, including the launch or expansion of facilities for the crisis-hit private sector and to speed up grants and long-term loans to the world's 78 poor countries.

Subsequently, on the invitation of the United States of America (USA), the G-20 Summit on "Financial Markets and the World Economy" was held in the Washington on 15th November 2008. All G-7 countries which are members of G-20, Managing Director of IMF and the President of the World Bank also attended the summit.

After the Summit Meeting, the Leaders of Group of Twenty (G20) issued a declaration, *Inter alia*, outlining "Root Causes of the Current Crisis", "Actions taken and to Be Taken". Further, the declaration has put forth a comprehensive "Action Plan to Implement the Principles for Reform" as part of the coordinated response to the global financial turmoil. The G20 has proposed to carry forward the commitments in the Summit Declaration by constituting few G20 Working Groups that would have representation from each of the G20 member countries and these working groups would work out the details of the way forward.

(c) The restoration of confidence and normalcy in global financial markets would obviate the tight foreign currency liquidity conditions in the Indian foreign exchange market; help align the exchange rate of the rupee to fundamentals; through improved volumes of trade help restore export growth momentum; and relieve pressure on domestic liquidity which has arisen from the shift in the sources of financing from external to domestic.

Speeding up of infrastructure spending

2381. SHRI JESUDASU SEELAM: Will the PRIME MINISTER be pleased to state:

(a) whether he had promised to speed up infrastructure spending;

(b) whether he had also decided to review role of financial institutions;

(c) whether he had promised more steps to tackle financial crisis;

(d) if so, whether such steps have been introduced; and

(e) if so, to what extent these steps have improved the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) While the Prime Minister has not made any such promise, numerous steps have been announced to speed up infrastructure spending. Recently, the Government has announced various measures for stimulating the economy on December 7, 2008 which *Inter alia* include, to authorise the India Infrastructure Finance Company Ltd. (IIFCL) to raise Rs.10,000 crore through tax-free bonds by 31.03.20093. These funds will be used by IIFCL to re-finance bank lending of longer maturity to eligible infrastructure projects.

(b) No, Sir.